



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 21

Agenda Date: April 20, 2023

In Control: City Council A Session

DEPARTMENT: Government Affairs

DEPARTMENT HEAD: Sally Basurto

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Consent to Emergency Services District No. 12's Request to Incur Debt.

SUMMARY:

A resolution providing consent for Emergency Services District (ESD) No. 12 to incur debt of up to \$18,000,000.00 for development and construction of new fire stations and the purchase of supporting vehicles. The City's consent to incur debt is required pursuant to state law and the agreement terms between Bexar County and the City of San Antonio that created ESD No. 12 in 2007.

BACKGROUND INFORMATION:

On November 1, 2007, City Council approved, through ordinance #2007-11-01-1172, an agreement with Bexar County to create Emergency Services District No. 12 to include territory within the City's Extraterritorial Jurisdiction (ETJ) for the provision of fire suppression and emergency medical services for individuals residing within the district's boundaries. ESD No. 12 is located in east Bexar County.

The agreement allowing the ESD's creation includes the following conditions:

- ESD No. 12 cannot incur debt exceeding \$20,000.00 without the consent of the City.

- If the City annexes a portion of ESD No. 12, any contractual obligations of ESD No. 12 to, or the payment of any debt incurred by, a third-party contractor will not be a debt for the purposes of Texas Health and Safety Code Section 775.002 unless the City approved the contract creating the obligation or debt.
- Any fire station constructed by ESD No. 12 will be located and constructed with the concurrence of the San Antonio Fire Department.
- ESD No. 12 will ensure that its equipment is compatible with the City's equipment.
- ESD No. 12 will enter into mutual aid agreements with the City.

The above imposed conditions were included on the ballot for the election to confirm the creation of ESD No. 12.

ESD No. 12 has requested consent to incur debt on one previous occasion. In August 2021, the City approved debt of up to \$3.35 million through resolution 2021-08-05-0040R to provide for the purchase of land and construction of a fire station.

ISSUE:

ESD No. 12 is requesting the City's consent to secure debt of \$18,000,000.00 to carry out their multi-year capital improvement plan, to include the construction of three new fire stations, a training facility, and the purchase of equipment.

The City's has no financial responsibility for debt incurred by the ESD unless the City annexes territory within the District. Should the City annex ESD territory, it would be required to pay the District the pro-rata value of the District's bonded and other indebtedness for the annexed property. Pursuant to Sec. 775.022 of the Texas Health and Safety Code, the amount of compensation that the City must pay the District following annexation would be the District's total indebtedness at the time of annexation multiplied by a fraction equal to the assessed value of the property to be annexed, divided by the total assessed value of the property of the District based on the most recent certified county property tax rolls at the time of annexation.

The City's Finance, Planning, and Fire Departments reviewed ESD No. 12's request to analyze the District's capacity to incur the debt, probability of near-term annexation within the ESD, and compatibility of the planned fire station to SAFD standards, respectively. The Finance Department determined that ESD No. 12's tax base is sufficient to manage the proposed debt. The Planning Department recommended approval noting that there is still an opportunity for annexation to occur voluntarily within the District's territory. The provided information on stations and equipment met SAFD's requirements.

ALTERNATIVES:

The City could choose not to consent to the request to incur debt. This would negatively impact the District's ability to provide effective fire and emergency services.

FISCAL IMPACT:

Approval of the request to incur debt would not have a fiscal impact on the City unless the City annexes property within ESD No. 12. The exact amount owed by the city would depend on the portion to be annexed and the date of the annexation.

RECOMMENDATION:

Staff recommends providing consent to ESD No. 12 to incur debt of up to \$18,000,000.00.